GOVERNMENT OF INDIA
MINORITY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:783
ANSWERED ON:22.11.2007
POOR LOAN RECOVERIES BY NMDFC
Rao Shri Kavuru Samba Siva

Will the Minister of MINORITY AFFAIRS be pleased to state:

(a) whether the Government has made any survey/study to focus on reasons for poor loan recoveries by the National Minorities Development and Finance Corporation (NMDFC);

(b) if so, the outcome thereof;

(c) the steps taken to help minority communities secure funds at reasonable subsidized rate of interest to set up projects in different States;

(d) whether the Government proposes to rope in private sector banks to disburse loans at reasonable rate of interest to projects of entrepreneurs from minority communities and ensure security of loans of these banks in case of defaults; and

(e) If so, the details thereof?

Answer

MINISTER OF MINORITY AFFAIRS(SHRI A.R. ANTULAY)

(a) & (b) The level of recovery from most State Channelising Agencies (SCAs) to the NMDFC is not unsatisfactory. However, the recovery is not satisfactory from some States because of the weak infrastructure of SCAs. A scheme for strengthening the SCAs has been approved recently.

(c) NMDFC provides term loans at concessional rates, for setting up self- employment and income generating projects by persons belonging to minority communities living below double the poverty line.

(d) & (e) There is no such proposal.